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FACTIONALISM AND ORGANIZATIONAL CHANGE

Paula Brown and Clovis Shepherd

Most organizations undergo more or less constant, though moderate, change. Modern governmental organizations may be more subject to modification than independent private firms. This paper will describe a change process in one department of a naval station.[1] In this process, the department moved from stability through instability to a new attempt at stabilization. We shall take as our starting-point, the relatively stable organization of several years ago. The change process can be divided into two phases: the modification of goals by an external authority, and the structural change within the department.

From the point of view of the station as a whole, the structural change was an attempt by the department's management to modify the departmental structure in accordance with changing objectives and fiscal limitations. Most members of the department preferred a "rational" explanation of the structural change in terms of functional specialization and increased efficiency. From a sociological point of view, the major problem within the department was a conflict of values. The leading members of the department disagreed about their own goals, and about those which the department should pursue. Individual influence and factional alignments largely determined the series of events resulting in structural

1. This is a part of a study carried out by the Human Relations Research Group, Institute of Industrial Relations, UCLA, under a grant from the United States Office of Naval Research. This group is headed by Dr. Robert Tannenbaum. An earlier version of this paper, entitled "The Reaction of Engineers to Organization," was presented at the American Sociological Society meetings, September, 1954. The data reported here were gathered through interviews, observation of meetings, informal discussions, and a questionnaire concerned primarily with status and certain attitudes and administered to all available members of the department.

change and partial dissolution of the department.

While the department includes clerical and technical personnel, the majority of the members are civilian professionals or subprofessionals with at least some college training. The persons with supervisory positions, of whom we shall speak most, have at least a B.A. in engineering or one of the physical sciences. Another important group of relatively high rank are technical specialists. Among all the professionals, 61 per cent have B.A. degrees, 24 per cent M.A. degrees, and 7 per cent Ph.D. degrees. The professional identification is with engineering and science, where experience and ability as well as education are usually considered important.

It is difficult for those engineers and scientists who are supervisors to accept the role implied by a managerial position, since it conflicts with their notion of the proper role for their profession. However, personal satisfaction is derived from controlling policies, persons, and materials. In the conflict between the ideal role of an engineer and the satisfaction of power, supervisors tend to emphasize the technical reasons behind their administrative decisions. For example, supervisors frequently competed for control of a service, each claiming that it would be most appropriate for the service to be under his control. In effect, they use a rationalization acceptable throughout the organization to buttress decisions which may be based upon personal preference as well as technical factors. Because the key personnel of the laboratory are scientists and engineers, a somewhat privileged class of professionals in America today, their attitudes concerning the organization of their own work are usually accepted by nontechnical administrators within and outside the laboratory.

Formation and development of the department.

The department as now constituted has grown from three separate groups, two of which were once connected with a university. These three groups now constitute three of the divisions in the department, and two other divisions

have been created. In the past ten years, the organization of these divisions and their functions have changed considerably. Also, the department has grown to about four hundred members organized into divisions, branches, and sections with staff offices attached at the department and division levels. After it became a part of the naval station, in 1945, basic policy and objectives were set by a naval bureau and by the station. The department must conform to these policies and objectives and to civil service regulations. Within this rather rigid framework, the department itself determines much of its action.

Until 1952, the work done in the department was largely self-initiated applied research. That is, individuals suggested projects which were approved by the naval bureau if they fitted into the research interests of the agency. This resulted in a large number of independent activities. During this time each division was more or less autonomous; divergent technical interests and modes of administration were pursued; and each division had its own standards and measures of effectiveness.[2] As new division heads took over, they modified the divisions according to criteria which their "engineering judgment" considered most appropriate. When a new department head was appointed, there were changes in the departmental structure as well. The department was seen by its members as a collection of individuals and sub-groups pursuing a variety of goals and interests. Past associations and friendships cut across some of these ties, but few occasions arose to sharpen factional groupings.

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2. Cf. earlier Human Relations Research Group studies published in the reprint series of the Institute of Industrial Relations, UCLA: Reprint No. 23, Job Satisfaction, Productivity and Morale: A Case Study, by Irving R. Weschler, Murray Kahane, and Robert Tannenbaum; No. 34, Sociometric Choice and Organizational Effectiveness: A Multi-Relational Approach, by Fred Massarik, Robert Tannenbaum, Murray Kahane, and Irving R. Weschler; No. 36, Bureaucracy in a Government Laboratory, by Paula Brown.

The period of changes in organizational goals by external authorities.

The more-or-less autonomous pattern existed for some years. As the Navy clarified and changed its interests, it began to give the department specific requests for equipment development. The entire department became responsible to the bureau for a number of large-scale projects. Two important changes were involved: increased cooperation among the divisions in the department, and an increased emphasis upon equipment development and testing activities. One expression of this was a decrease in the funds available for research and an increase in development funds. In attempting to meet these requirements, department management gradually modified the jobs of individuals and subgroups. Further personnel increases were largely restricted to groups performing the new functions. The cumulative effect of these changes was great, as the groups which became most important had been originally established to perform engineering and instrumentation services for the rest of the department. The groups which had been the core of the department saw these service groups become equal, and then superior, to them in funds, manpower, and project assignments.

These changes met resistance by many individuals in the organization. Much of it was phrased in terms of professional values. Such comments as the following were quite common: "It's ridiculous to drop a project just when it's beginning to show results," "I know all there is to know about A and now they want me to drop it and start working on B," "We can't possibly carry out these tests unless the statistical criteria are more specific," "They want us to take on a new job, but no one tells us what to do or when to do it," "They expect us to have the tests completed by September 1, but they haven't given us all the equipment yet." Divergent attitudes toward research were expressed: "These research people have to get their heads out of the clouds," "Research people should be protected from pressure and

allowed to follow their own lines of inquiry; pressure should be put on those working in development."

Some of these objectives might be expected in any technological change. That is, an individual feels that his competence in a particular area is being ignored, and that he is being required to develop a new skill. In this case, however, the importance of the previous work and the extensive study needed to acquire new skills were stressed with reference to professional requirements. Furthermore, the professional atmosphere gave an individual the right to complain to anyone in the organization. To the extent that the engineering argument was convincing, management might alter its decision. In contrast with industry generally, both supervisor and subordinate were professional engineers. Differences in age and experience were small: 77 per cent of the professionals were under forty years old, 53 per cent had less than eight years' experience, and 82 per cent had less than fifteen years' experience. In many ways, the professional members of the department regarded themselves as a society of equals, any one of whom could exert influence on the others. For all of these reasons, they often allowed professional values to override traditional organizational practice.

As the need for coordination between divisions developed, certain staff functions became more important. Some of these staff functions had to be discharged by engineers who were competent to set up schedules and analyze results. The position of "project manager" was created for the coordination of the large-scale projects which involved groups from different division. This function was not highly regarded. Some typical remarks by the members of the department were: "The staff doesn't realize that they're here only to help the line organization; this expansion of staff is due to overspecialization and civil service red tape," "A project manager is just an errand boy." Individuals who accepted these positions were faced with a

personal conflict in that they themselves agreed with the line people that an engineer should work on equipment rather than on paper. Once he became familiar with the requirements, the project manager could reply, "They don't appreciate all the detailed work of coordination that a project manager has to do." Each project manager had a time schedule for every phase of his project. Many things could interfere with this schedule, as equipment and manpower were under the control of line supervisors who had time schedules of their own to meet. In an attempt to justify the staff role, and to force others to recognize the significance of the coordination function, the project managers demanded greater status and authority. Since many of them were from the previous service groups, such attempts were seen as a further wresting of authority from the older groups. Thus, this attempt to stabilize the organization was resented by those who felt they were losing prestige and power.

This period was characterized by confusion about objectives, conflicts among individuals and groups, and attempts to meet the changes in Navy policy by minor internal changes. The ideal of professional independence was being threatened by the demands of the naval bureau and attempts of local management to meet the new requirements. Control of basic policy and specific requirements was now more clearly outside the department. Many of the older members of the department resented this. The major conflict within the department was between some older leaders and those who, for one reason or another, supported the new policy of emphasis upon equipment development. A number of factional splits appeared, the most striking of which was that between the "old guard" and the new leaders supporting development.

The period of structural change within the department.

The series of changes in structure and relationships between groups was largely the result of the increased power of the development faction. In the past, a number of factions pursuing diverse research and applied research interests had been able to hold their own. The agreement of the currently dominant faction with external authority allowed them to promote a structural change affecting the whole department which destroyed the independence of divisions. The current department head had a long history of difficulties with the heads of the older divisions. In his attempt to satisfy his superiors, he tended to side with the development faction. Different types of alignments were present, so that the several factions were not mutually exclusive.

The leaders of the several factions were at approximately the same level in the organization. Most of them were division heads and staff officials. But the equality of formal status did not lead to equal influence or authority. The leaders of the development faction had achieved their status only recently.[3] Leaders of opposing factions had long occupied their positions. Many of them had been in the organization since it was established. These opposition leaders had, in the past, often conflicted with one another. They were forced together as the "old guard" to oppose the new leaders. But even in coalition, they were overshadowed by the new leaders.

In the midst of these tensions and conflicts, a new organizational structure was proposed as a means of delimiting responsibilities and providing coordination for large-scale projects. The principle underlying the structural change was the separation of groups according to the functions of research, development, and testing. The first step in the structural change

3. Their rapid rise was due to a combination of ambition, skill, adaptability, loyalty to the organization, and support of the new organizational goals. Of one of the leaders it was said, "He's more interested in projects than in people."

was the establishment of group titles and appointment of group heads. In several instances, no change in group structure was made, although some modification of function was expected. For the majority of persons, however, assignment was in doubt for various reasons. No clear statement of the boundaries between research, development, and testing had been agreed upon. The members of this department have not been the first to find such definition difficult. But in this case there was another example of conflict. In order to enhance the scope of his division and attract borderline individuals, each division head used the broadest definition possible. Everyone recognized that these definitions overlapped, but none of the division heads would limit his definition. Another reason for doubt in assignments was that many individuals were engaged in more than one kind of work. Some of the more highly regarded persons were allowed to make their own choice. In these cases, personal ambitions and friendships were combined with work preferences to bring about a decision.

Among the factors involved in the making of personnel assignments were: (a) the need to distribute "experts" throughout the organization;[4] (b) the personal desires friendship, past associations, etc.) of division heads for certain individuals; (c) identification of the individuals to be relocated with the various factions which existed in the organization; and (d) expectations of higher status or increased authority by joining one group rather than another.[5] The final allocation of personnel demonstrated even more clearly the triumph of the development faction. Because of the broad definitions used and the changes in organizational activities, the scope of development expanded at the

4. When two men were of approximately equal skill in a given field, if one of them chose to go to Division A, the other was more or less forced to join Division B.

5. While no promotions in rank could be made during the organizational change, promises of future promotions were a common way of winning over doubtful persons.

expense of other functions. This situation was approved by the station.

The results of the structural changes were: (1) to greatly strengthen and enlarge the development group, (2) to give the development group a large measure of control over the testing group under a leader of an opposing faction, and (3) to set off the research group (under another "old guard" leader) from the others with independent authority but greatly decreased personnel and funds. Thus the development group became the central focus of the department by controlling funds, personnel, and activities.

The new power situation was so strikingly different from that which had held in the past that the leaders and some members of defeated factions left the organization. Their reasons for leaving fell into a familiar pattern: they said that a vital function was being disregarded; that their groups could not properly perform their work without certain facilities, which now were under the direction of others; and that in order to carry out their functions, they needed to have control over some phases of activity which they no longer controlled. At the same time, these people criticized the ability of those now in power. These objections extended to persons in the naval bureau when it was felt that the internal changes were due to navy policy.

Analysis of factions.

The issues involved in this case of factionalism might be classified into three categories - organizational goals, in-group loyalties, and personal friendships. These factions had been present for some time, but became prominent at this period. There are two facets to factions based on organizational goals. One is the acceptance of the naval bureau's and station's right to set or modify organizational goals. Many of those who had participated in the development of the original organizational goals and in later modifications regarded themselves as the scientific experts best qualified to plan the

department's program. The assertion of this authority by the naval bureau and station management was an unwanted intrusion on their realm of influence. Other members of the department accepted the naval bureau's authority to make these decisions and attempted to meet the modified goals. Some others wholly supported the new goals through personal convictions. Thus, there were two sources of disagreement: (a) who should set goals, and (b) which goals are best. The development faction exemplified the successful combination of personal interests and acceptance of the goals set by the organization. Either of these interests could bring individuals into the faction. In fact, eight months after the structural change took place, 58 per cent of the department members felt that the department should be devoted to development rather than research, and 71 per cent of the department members felt that the department would emphasize development rather than research.

The second facet of factions related to goals is the personal goals of individuals. In a questionnaire administered to all members of the department, differences in personal goals were found among the professionals.[6] A significantly higher proportion of persons whose reference group was within[7] had as a goal "organizing the work of a successful group"; those with outside refer-

6. In a questionnaire, each individual responded to this question: "If you could achieve a wide reputation for just one thing, would you prefer to be known for:
   a. a general research idea
   b. being a good fellow to work with
   c. developing useful equipment
   d. an original formula
   e. organizing the work of a successful group
   f. applying a known principle to a new and important use."

7. These reference groups were: "people at your level at the station"; "the people you work with."

ence[8] groups tended to have pure and applied research goals.[9] Those with their occupation as a reference group more often had development goals.[10] As compared with those who chose research as an organizational goal, those who were more interested in development were more confident of their ability to handle their positions, and had more ambitions within the organization. Goals also varied with position: the lower levels of professionals had more pure research goals; middle levels had more applied research and development goals; higher levels had more supervisory[11] and research goals.

The second source of factions is in-group loyalty: in this case subgroups attempted to protect their membership and functions against the inroads of others. On the whole, subgroups were kept intact when structural changes were made, due to a feeling that groups should remain together if possible. Some time before the structural change described here occurred, two divisions were combined. However, no attempt was made to redistribute members; rather, the component branches remained separate. People continued to speak of this as two separate divisions. At the time of this structural change, one division was divided between two of the newly created divisions. Many individuals objected to breaking up their sections or branches, and when possible, the sections of a branch were kept intact in the transfer. In theory, the reorganization should have involved a similar segmentation of another division, but in-group loyalty and compromises made in the definition of functions allowed the entire division to be included in the development group. When a supervisor transferred to another division, many of his subordinates accom-

8. These were: "others in your community"; "your classmates"; "all the people in the world"; "your friends"; "your family and relatives"; "all the people in the United States."

9. Pure research would be: "a general research idea" and "an original formula." Applied research would be "applying a known principle to a new and important use."

10. Development would be "developing useful equipment."

11. Supervisory goals would be "organizing the work of a successful group."

panied him.[12] Additional evidence of in-group loyalty is seen in sociometric questions: persons at all levels tended to choose and reject within the branch and division on "whom would you like to work with?" "whom would you like to have as a supervisor?" and "who has the greatest technical ability?" When the higher level persons were rejected, the rejections came more frequently from outside the division.

Finally, certain factions are based on personal friendships. These include such factors as: outside interests, previous association, and the "old guard" as against the new members. These last sources of factions can be demonstrated only by a detailed analysis of observational records, interviews, and sociometric responses.

Each person had ties in all of these types of factions. Many factions overlapped, so that some persons had little difficulty deciding which group they preferred. For others, these ties were in conflict. Their decision was based upon the strength of certain ties while others were disregarded.[13]

These factions are based upon attitudes and beliefs of many kinds. Some of them may be learned in professional schools. Others are a product of the personal convictions of individuals or the ideology of the organization. While diverse attitudes about the purpose of the organization, or of parts of it, could exist while the parts remained somewhat independent, the need for a coordinated department brought these differences into conflict. In the

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12. One branch head said, "I held a meeting in my branch and explained the reorganization as well as I could. I suggested that they talk to anyone they like about it, and decide what they want to do. Then when I had another meeting some weeks later, none of them had decided. They asked me what I wanted them to do, while I had tried to get them to decide themselves."

13. For example, one section head preferred research work and had ties with others in research, but joined development because of organizational pressure and personal friendship with a branch head.

resolution new leaders, who did not retain loyalty to the "old guard" or the old way of doing things, could succeed. With a general willingness to accept the new goals, the structural changes might have been unnecessary. In addition to the desired effect of bringing greater coordination, a job first attempted by the project managers, this move had the further effect of making many individuals so uncomfortable in their new positions that they left. Some persons who increased their status in the change also left within a year for positions in other organizations which promised less strain and conflict. The departure of many of the former leaders required further adjustments. Our research covered only the period described above.

Conclusion.

The process of change in this department has been shown in three phases:

1) From 1946 to 1952 the department was a relatively stable group in which divergent goals and activities were pursued.

2) The imposition, from outside, of new demands on the organization required the modification of organizational goals and the increased coordination of activities. Minor changes were made at first. However, the modification of goals and the rising importance of different functions and activities threatened the power and independence of older groups.

3) A structural change, proposed as a more efficient way of achieving the new demands, resulted in greatly increased power for one faction, and the resignation of some former leaders.

The value differences within the organization were of minor importance while the sub-groups were relatively autonomous. But as the organizational requirements changed, these differences became the basis of sharply conflicting factional groupings. One faction, in agreement with external authority, became strong enough to promote a structural change and thereby further in-

crease its power. The station accepted this change as an adaptation to the modified goals. The case described here suggests that factions based upon value differences can be a strong force upon decisions with respect to organization.